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CR Report 2012

# Get our responsibility

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# Who we are

Sanoma is a front runner in consumer media and learning in Europe. We entertain, inform, educate and inspire millions of people every day — across media in multiple channels.

We employ 10,000 professionals in more than 10 countries. Our key markets are Finland, The Netherlands, Belgium and Central & Eastern Europe. In 2012, the Group's net sales totalled EUR 2.4 billion. Sanoma's share is listed on the NASDAQ OMX Helsinki.

## Our purpose

At Sanoma, we help people access and understand the world. A world full of opportunities and experiences – a world to explore, influence or share. Working together with our customers, we create high quality, relevant, captivating content: information, inspiration, education and entertainment. We serve their individual needs to develop themselves and enjoy their lives.

## Reporting principles for the corporate responsibility report 2012

4 The reporting period for this corporate responsibility (CR) report is the 2012 calendar year and Sanoma's financial reporting period 1 January – 31 December 2012. The report covers the Sanoma Group's operations in all its operating countries unless otherwise specified. Some personnel and environmental data is only reported from Finland. Sanoma renewed its operative reporting from the third quarter of 2012. The continuing operations of the Group include three reportable segments: Media, News and Learning.

As a result, the Trade segment is no longer a reportable segment. Trade's remaining operations are reported in the financial statement in the line item "Other companies and eliminations". According to international IFRS reporting standards, any material divestment that represents a separate major line of business shall be classified as discontinued operation. This classification is referred to at parts of the report.

The reported topics have been chosen based on Sanoma's purpose, special characteristics of the media and learning businesses and a corporate

responsibility materiality assessment, which was carried out with our key stakeholders. Primary stakeholder groups involved in the assessment were Sanoma's employees, B2B customers, investment analysts and our business partners. Sanoma uses the GRI G3 guidelines as a framework for this report. Key reported items' location in the report is being referred to in a GRI index table. The next report is planned to be published in 2014.

# Our ambition

**Customers are at the heart of everything we do and we aim to serve them in new ways**

This means we connect content, brands and people – anywhere and anytime. For advertisers we will provide powerful marketing opportunities through our reach and consumer insight. For our learning stakeholders we will develop new solutions, be it personalized, digital or in print, for both teaching and learning.

**We aim to be the media & learning company of the future**

We will innovate and grow. We will foster our brands, and make them multichannel. We will grow in TV, also outside of Free-to-Air. We will develop our learning portfolio that today is much more than just textbooks. We will accelerate our digital business and always strive to improve our performance. We will operate with efficiency, sharpen our business portfolio and create a high performance culture.

**We think and operate according to the Sanoma Way**

We always look ahead. We are eager to know what is around the corner. We urge everyone to share views, opinions and experiences. We engage people, we involve and activate people with the things that matter to them. We make it happen, we aim to create an impact every day.



# Creating a winning culture

**Sanoma has 10,381 employees in Europe. People are at the heart of everything we do. Thanks to our size, we are able to provide versatile career opportunities for professionals of different sectors, as well as excellent opportunities for professional growth.**

The diversity of people is a great advantage for our business. We offer equal career opportunities irrespective of age, gender or other personal factors. Gender equality is reality also at the top level: Sanoma has the most female members in its Board of Directors of all Finnish listed companies.

## **Sanoma Way – common way of working**

Two years ago Sanoma embarked on a transformational journey to become a new kind of media and learning company. The main transformation relates to the shift from print to digital and new media. We want to invest in the growth of our media and learning

activities and improve the structure and quality of our organisation. The journey hasn't been painless: we have sharpened our portfolio and divested media titles that were underperforming. In the process of ensuring the health of our organisation, we had to lay off a number of staff in 2012.

At the same time we kept our focus on the future. Sanoma worked on a vision and storyline, which includes a set of four new organisational values called the Sanoma Way: look ahead, share views, engage people and make it happen. The Sanoma Way is the way of working, operating and making decisions that all Sanoma companies share. It has features from many of our earlier core values but it also tells a bit more about what Sanoma is like in 2012 and how we differentiate ourselves from our competitors. With respected roots deep in the media and learning markets in several of our operating countries, Sanoma in 2013 is a completely different company than a few years ago: more dynamic and innovative, less fragmented and strongly focused on customer media and learning.

**Harriet Calo**  
Fashion & Beauty  
Director  
The Netherlands



**Leonard Bukenya**  
Business Unit Manager  
Online Women  
The Netherlands



**Timo Rinne**  
 Director, Online  
 Services  
 Finland



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**Contributing to common goals**

One of the cornerstones of people management in 2012 was to create clarity around how each employee can contribute to Sanoma’s goals. To this end, we introduced a new Group-wide performance management framework for the top management as a way to systematically set targets, evaluate performance and identify opportunities for development. Performance Management was initially rolled out to the Executive Management Team in 2011, giving each leader a clear roadmap for realising the company’s strategy.

In addition, Sanoma introduced a new reward philosophy, which acknowledges people who deliver results and manages those who underperform. It includes a Performance Share Plan, an incentive scheme for executives and key managers. This encourages them to focus on the long-term, increase shareholder value and commit to Sanoma. The scheme is tied to two quantifiable results, namely Sanoma’s shift from print to new media and Earnings per Share.

**Our employees say:  
 Positively challenging  
 and interesting workplace**

Sanoma’s first Group-wide Employee Engagement Survey shed light on our strengths and areas for improvement. One of the main objectives of the survey was to determine the factors that are most important in engaging our employees. Within two weeks, three-quarters of all employees had completed the survey, indicating that the staff valued this initiative. The strengths lie in the way we see our jobs: as positively challenging and interesting. We perceive that management is interested in our ideas and initiatives. Furthermore, we get a sense of achievement from our work and are committed to Sanoma. On the other hand, as there is a lot of

pressure facing print media and the declining volumes, employees want to see more clarity on the direction of the company.

**Learning organisation**

In 2013, the emphasis will be on strengthening our learning culture. By creating a clear link between performance and reward, Sanoma laid the groundwork for becoming a learning organisation in which people develop themselves. Our goal is to enable individual employees to have the professional and leadership skills needed to contribute to our strategy.

This is why in 2012 Sanoma worked on a learning portal in partnership with IMD Business School and Erasmus University. When Sanoma

**Diversity at Sanoma in 2012:**

- We are 10,381 employees in more than 10 countries
- 62% of us are women, 38% men
- We are on average 30–39 years old
- Our Board of Directors consists of five women and five men
- There are five different nationalities represented in our Executive Management Group

**Personnel by country**

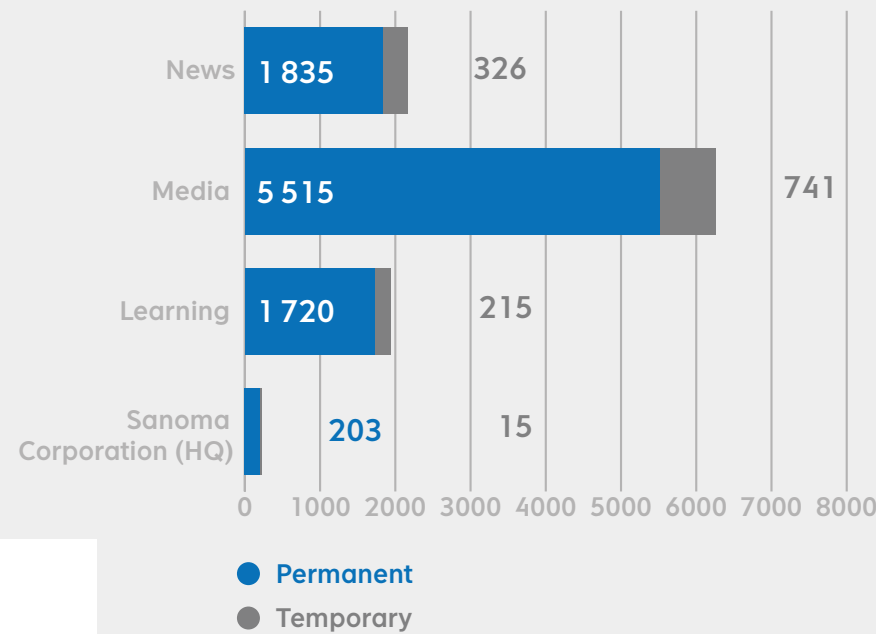


rolls this out in 2013, the top 1,000 will avail of a curriculum that teaches them to manage change, transformation and performance in an authentic way.

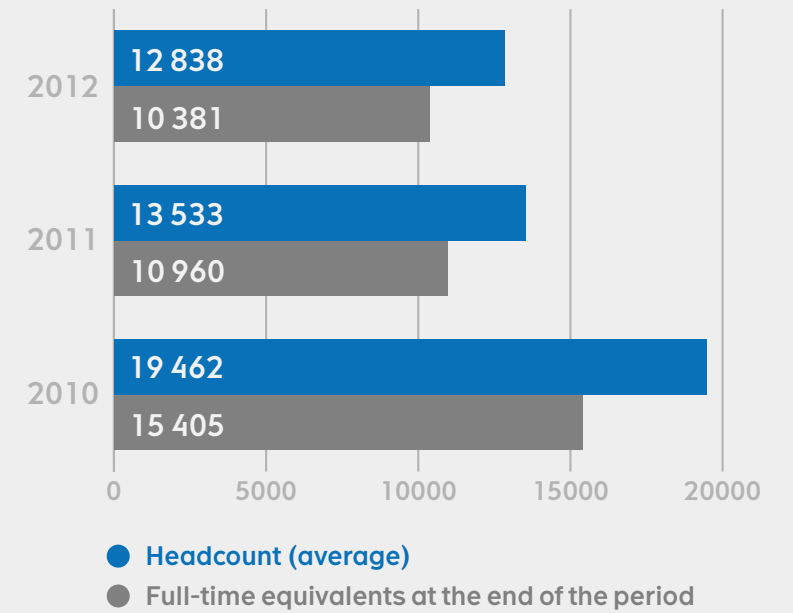
Sanoma also introduced a development dialogue for its top management, which will provide the foundation for a Group-wide succession plan for the company's top 100 leadership positions in 2013.

Sanoma is keen to ensure it has the right capabilities to achieve its goals, including mobile, consumer data/analytics and consultative sales. In 2013 we will work on identifying the capabilities we already have, the ones we still need and the ways in which we can close that gap. Our intention is to nurture our own people, acquire capabilities and create a stronger employer brand using social media.

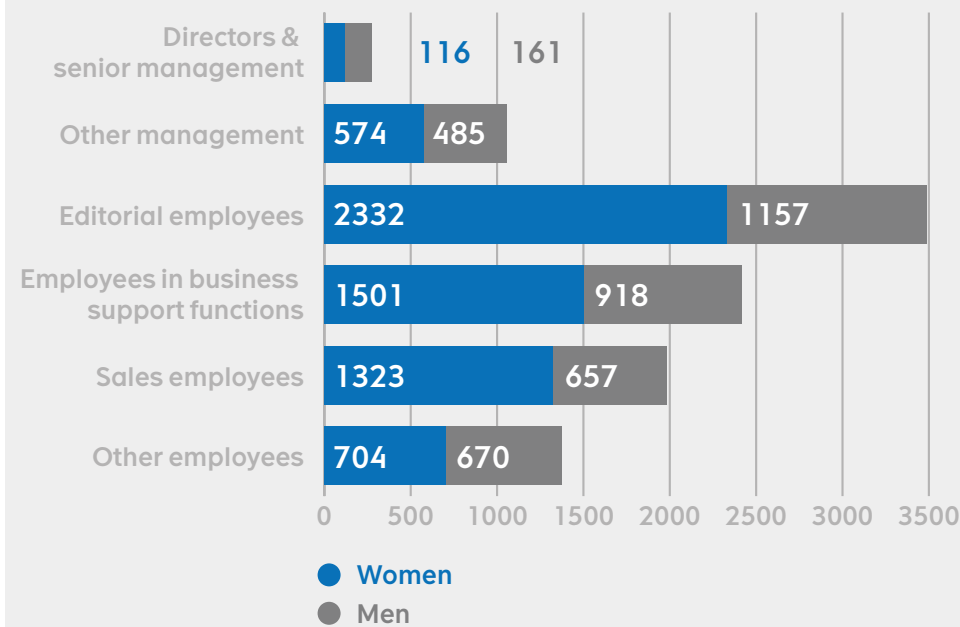
Personnel at Sanoma



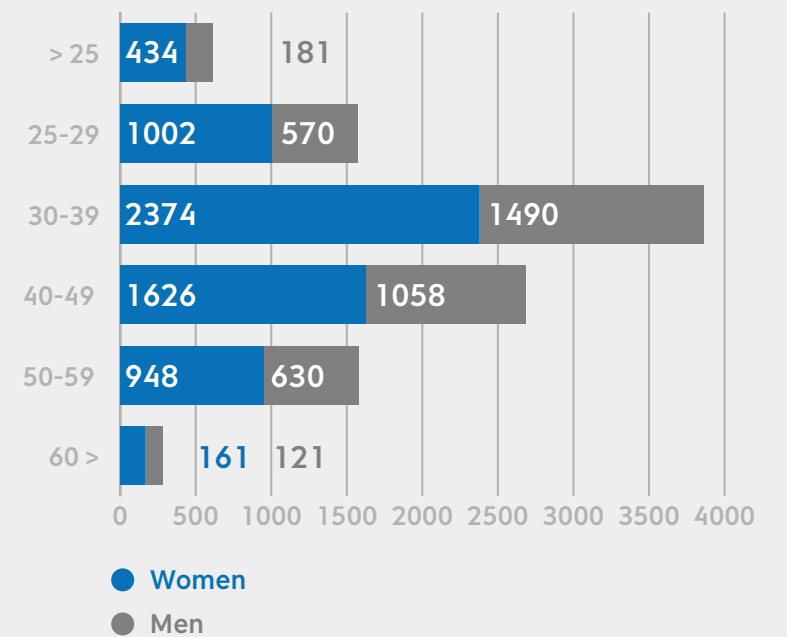
Number of employees 2010-2012



Personnel by employee category



Personnel by age



### Wide range of development opportunities

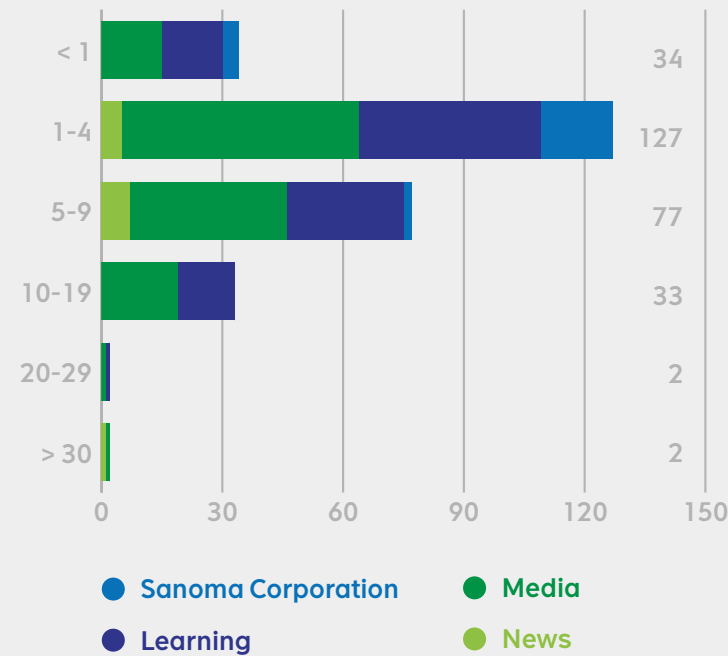
Introducing new methods for innovation, the Innovation Accelerator Programme was launched in 2012. The first round focused on mobile, with the purpose of developing in-house talent and bringing new “mobile first” business lines to our portfolio. All together 150 employees from different Sanoma countries took part in learning Lean Development methods and building prototypes of promising concepts for testing in the market.

The Media 2020 and 2021 programmes trained Sanoma journalists in Finland to become change agents that value the opportunities that are opening up in the media industry’s multichannel transformation. Over the course of eight months, these journalists spent six weeks in five different editorial offices in an ultimate job rotation. During these months, the programme participants learned to embrace change and uncertainty and to become the front runners to speed change within Sanoma.

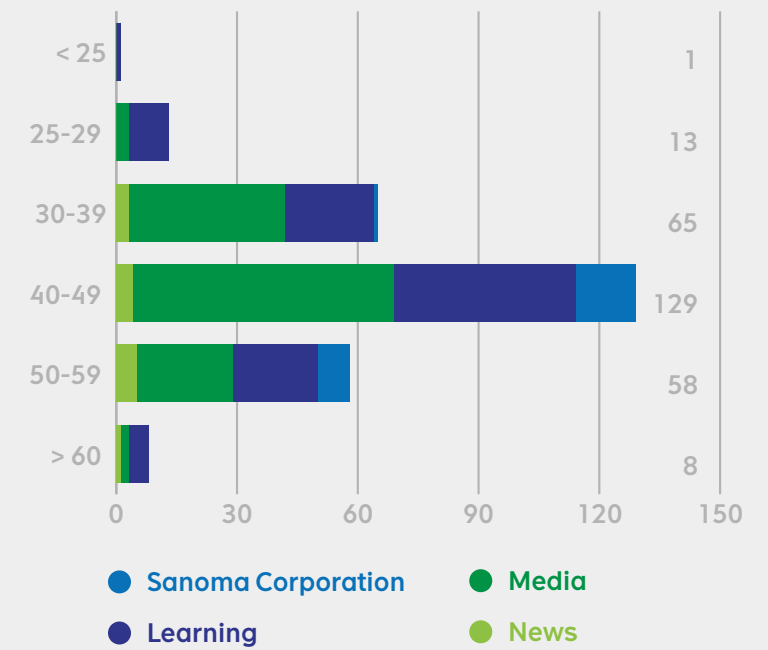
The Sanoma Academy organized about 150 different trainings in 2012, ranging from strategic leadership training to journalistic and language trainings. In 2012 around 800 people took part in the Sanoma Academy trainings.

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Directors & senior management, years in current position



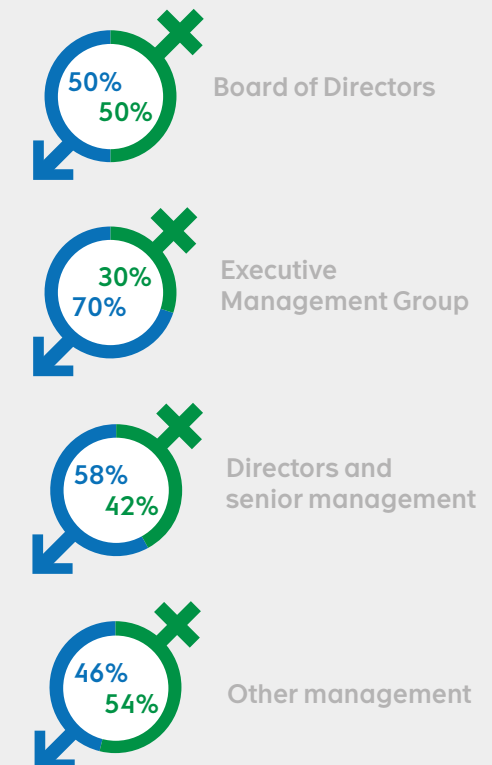
Age distribution of directors & senior management



Sick absence days*	2012	2011	2010
Sanoma News	19 220	17 918	16 109
Sanoma Media	34 821	39 844	41 251
Sanoma Learning	14 561	17 508	19 689
Sanoma Corporation	1 449	1 214	472
Sanoma Trade			60 538
Total	70 051	76 484	138 059

\*) calendar days

Management's gender balance







# Helping our customers get the world

**Sanoma's contents, products and services are at the core of our responsibility. Our business is based on high quality and relevant, captivating content that we offer to millions of people across Europe.**

We publish over 250 magazines and several leading newspapers, operate seven successful learning companies, many TV networks and radio stations, and have established a growing digital footprint in our core markets with our successful websites, apps and digital services.

Our job is to share what we see with millions of people every day and help people access and understand the world. It goes without saying that responsibility is an integral part of everyday business. Sanoma wishes to position itself as a guardian of creativity and free speech in a rapidly

changing media landscape. Producing reliable, creative, high-quality contents and services for readers, viewers, listeners and learners in all ages is something we are proud of. Operating mainly in small language areas, delivering the content in one's own language, with respect to the local culture, is in the core of our business.

## **Freedom of speech and editorial integrity key issues**

As the rules of the media game are changing and new platforms emerge, holding on to ethical responsibilities becomes all the more important for media outlets. Among the ethical

challenges brought on by the digital age are an accelerated news cycle, immediate feedback and the accessibility of alternative news outlets. At the same time, online media have gained incredible importance as an essential way for people to communicate, opening up opportunities to improve and ease lives.

Our stakeholders have indicated that freedom of speech and editorial integrity should be our key priority when developing our corporate responsibility. Editorial integrity is a key guiding principle in the daily work of all our journalists and other content producers. Each of Sanoma's publishing units has editorial guidelines to ensure that all published content is objective and accurate.

All publishers must also take measures to enable readers to identify paid content and advertisements from editorial content. In TV, measures are taken to protect children from harmful content. Together with other players on the Finnish TV market, the TV channel Nelonen has established an age-based classification system for screening programmes. When children take part in TV shows, strict guidelines are applied to e.g. filming times and conditions.

As a large media company we have the opportunity to promote our values on European level. Sanoma is a member of the European Publishers' Council, a group of about 30 executives of European media corporations that promotes freedom of speech and reviews proposed changes to international media legislation.

### **Ilta-Sanomat Freedom of Speech campaign highlighted internationally**

The 80th anniversary of Ilta-Sanomat, the leading quality tabloid in Finland, was concluded with a freedom of speech campaign. Every day throughout the year, the series of articles published in print and online told a story of one persecuted, imprisoned or killed journalist. The number of articles in the series stood at 80 when the 80th anniversary ended in February 2013.

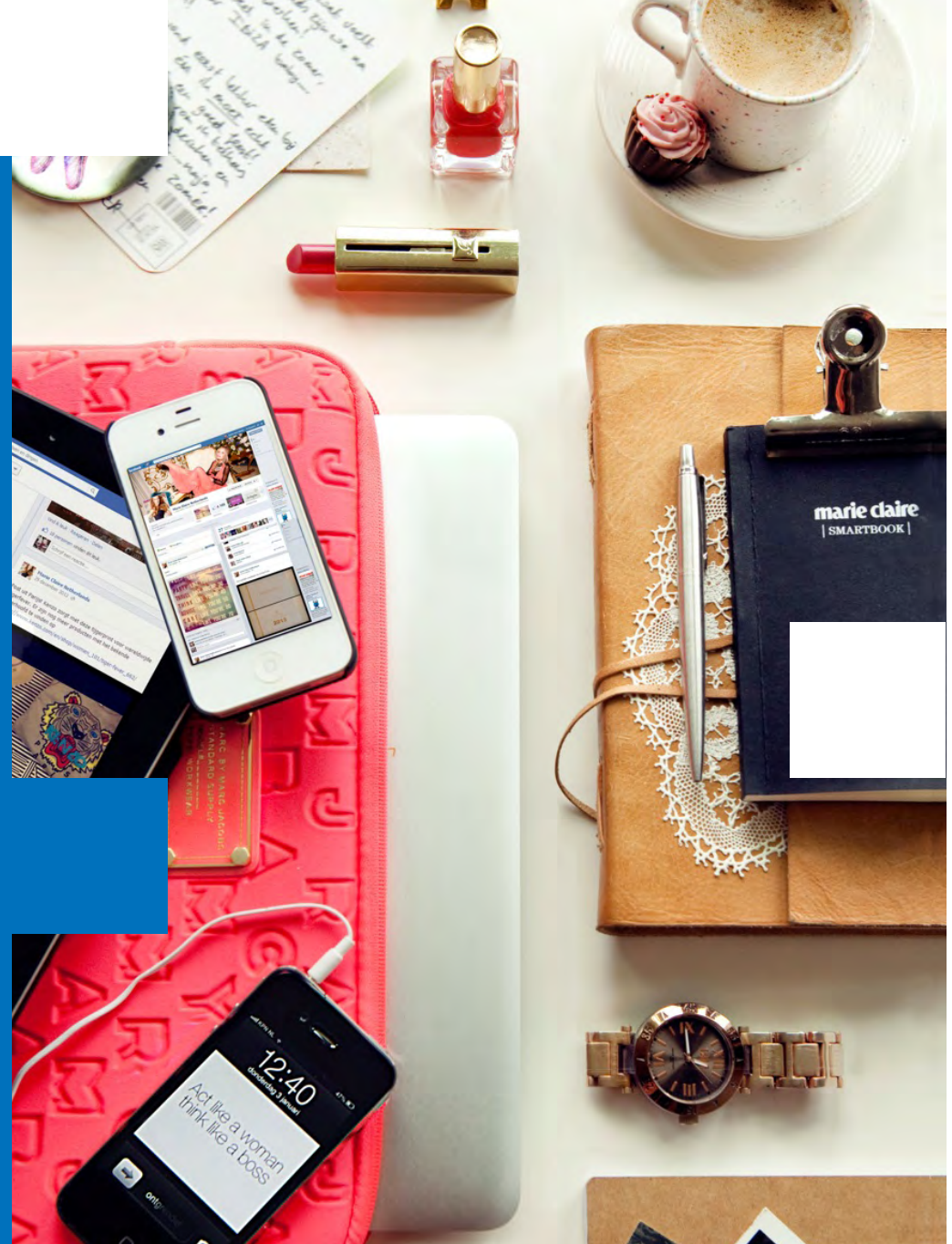
As part of the campaign, Ilta-Sanomat provided free-of-charge copies of the special supplement on free speech during the Newspaper at Schools week in early February. The supplement, designed for

secondary school students, informed them of the dangers many journalists put themselves in for free speech. The number of copies printed was about 60,000 and the supplement was distributed to more than 800 schools. It is also available at [iltasanomat.fi](http://iltasanomat.fi).

The supplement and the project related to it are now being implemented on international level. The BBC Academy included the project as an educational example, and UNESCO published articles from the series in spring 2012 in all the official UN languages, such as Chinese and Arabic.

**“For many years now, Finland has been the leader in global free press rankings. This means that we have an important role and responsibilities in the promotion of free speech. In many countries, free speech is not something that can be taken for granted. We are happy that our project has also garnered international attention,”** says editor-in-chief Kaius Niemi.

The campaign was nominated for Bonnier's Journalist Awards 2012 in the Journalistic Action of the Year category.



### **Good education**

It sounds fancy but it is true: Good education is the most valuable form of developing humankind. It offers children around the world a better future. We believe that by combining high-quality content, technology and data in innovative ways we are able to support teachers in their work and make learning more rewarding.



Sanoma Learning, the leading European provider of learning solutions in print and digital format, creates effective learning for millions of pupils every day. With operations in six countries, the Netherlands, Poland, Hungary, Belgium, Finland and Sweden, our local companies are among the best in their own markets.

Deep understanding of the teaching process is Sanoma's core competence. The overall target is to support the entire school in achieving good learning results. Our solutions help teachers to be efficient and able to focus on their most valuable competence – teaching. We want to support pupils to unleash their whole potential to reach a higher level. Our learning solutions are inspired by the teacher workflow. It combines high-quality content, technology, data and the know-how of learning professionals. The solutions have been tailored to meet specific local and cultural needs.

Our learning companies actively work together with NGOs in innovative projects. Amongst many local projects, Sanoma Learning worked together with the Kone Foundation in a mobile library project in China in 2012. New co-operation is planned for 2013 with Nokia in a mobile learning project in parts of Africa. In this maths skills focused project, Sanoma would be the partner providing the high-quality contents and materials.

[\*\*+\*\* \*Read more about our social initiatives in the Economy and Society section of this report\*](#)

#### **Inspiration to read**

Newspapers and magazines engage in active co-operation with educational institutions by, for example, aiming to improve the media literacy of young people and encourage children and young people to read.

Each year, Finnish newspaper publishers organise a joint project, Newspaper Week, and magazine publishers have a Magazine Day in schools. During these theme events, publishers provide schools with materials for classroom sessions. In addition, journalists visit schools to talk about their work, and Helsingin Sanomat newspaper publishes special articles for pupils each day.

Piste was an editorial training office located in Sanoma News' headquarters Sanoma House in Helsinki. It was launched in 1999 and run jointly by newspapers Helsingin Sanomat, Ilta-Sanomat and Taloussanomat. At Piste, pupils from the upper levels of comprehensive school were able to learn about the different stages of preparing a newspaper article. About 10,000 children and teenagers visited Piste each year. Piste will be reformed and it will continue in autumn 2013 in a new form.



# Long term commitment as guiding principle

**With roots in Finland and in the 1800s, Sanoma is now one of the largest European media companies and taking a front position in the learning market.**

The guiding principle of our business is long-term commitment. The Group wants to grow profitably. Strengthening the focus on organic growth will help us successfully develop our businesses from products to solutions and services, from passive to more active and

from mass to personal. The economic impacts of Sanoma reach many different stakeholder groups. Operating expenses, employee wages and benefits and taxes paid to governments account for a majority of the economic value distributed. We offer our owners a stable dividend yield – the amount distributed by the Group each year in dividends is normally more than half of the Group’s result for the period. For the financial year 2012, a dividend of EUR 0.60 per share was paid.

Sanoma wants to promote good business procedures. We only work with

reputable and experienced partners, and all business transactions undertaken on our behalf are reported accurately in our accounting. The key principles employed in financial reporting are reliability, correctness and continuity. The implementation of good practices is ensured by Group-wide guidelines for reporting, appropriate approval procedures and internal control. Our most important raw material, paper, is procured responsibly, exploiting cross-business and country synergies. Our paper procurement guidelines are described at the Environment section. Sanoma annually donates part of our

All Sanoma’s operating countries are annually analysed for risks related to corruption by Group Internal Audit. The analysis, based on Transparency International’s Corruption Perception Index, is used for risk assessment and planning purposes.

Sanoma has operations in six countries that score below 6.0 on the Index. On a scale 0-10 (0 = highly corrupt, 10 = very clean). In 2012 Sanoma generated 4.8 % of its sales in these countries, Russia being the most important.

earnings to charity with the approval of the Annual General Meeting. In 2012 a sum of EUR 550,000 was transferred to the donation reserve and used at the Board of Directors’ discretion. The main beneficiary was one of Sanoma’s long-term partners, the John Nurminen Foundation, which does valuable work for clearer Baltic Sea. Read more about the partnership later in this section.

We also participate in many local initiatives to uphold corporate citizenship. Read more about them on the next page.



Nowa Era volunteers  
in Morocco

# Engagement on many levels

## Supporting volunteering

In 2012, Poland's leading educational publisher Nowa Era began a nationwide information campaign addressed to teachers in Lower and Upper Secondary Schools. Among other activities to promote volunteering among young people, Nowa Era prepared a special website dedicated to volunteering. It consists of a variety of materials (lesson scenarios, articles, publications etc.) which are to help teachers to inform and raise students' interest in the idea of volunteering.

Nowa Era not only actively promotes the idea of volunteering but also conducts various projects together with its employees. Acknowledging

that one of the major development challenges in Morocco is to reduce the level of illiteracy, a group of 130 volunteers including Nowa Era's CEO, managers and employees of all organizational levels travelled to Morocco to renovate an Education Center in the mountain village of Idaougnidif. Thanks to the volunteers hard work for 4 days, the common center, which was built in 2002 but was never been put to use, finally operates normally and conducts literacy and vocational courses for women.

## Clean Baltic Sea for all

Sanoma works for the well-being of our nearby environment and supports the John Nurminen Foundation's Clean

Baltic Sea project by giving direct financial support and offering media space in Sanoma's different media. Our financial contribution is EUR 200,000 over a three-year timespan. The project aims at visibly improving the condition of the Baltic Sea by reducing eutrophication and by promoting safety of maritime traffic.

## New children's hospital to Finland by 2017

The support association for the New Children's Hospital 2017 aims at collecting EUR 30 million in donations in order to build a new expert unit in children's hospital care in Finland. Without private funding the building of a new children's hospital would be

put far off into the future. Sanoma takes part in the initiative as a marketing co-operation partner.

*"We offer the initiative visibility in our media which reach a great part of Finns every day,"* says Anu Nissinen, CEO of Sanoma Media Finland.

## Breast Cancer awareness with Pink Ribbon

One of the longest standing examples of Sanoma's societal responsibility and partnership is the Pink Ribbon magazine, which is published in the Netherlands and Belgium. The magazine promotes breast cancer awareness and in the Netherlands also raises funds. In Sanoma's other European operating countries the cause is supported by donating media space and raising the topic in content. Over the past years the annual Pink Ribbon magazines in the Netherlands only have raised over EUR 7 million to the Pink Ribbon Foundation.

+ [pinkribbon.nl](http://pinkribbon.nl)

+ [pinkribbon-magazine.be](http://pinkribbon-magazine.be)



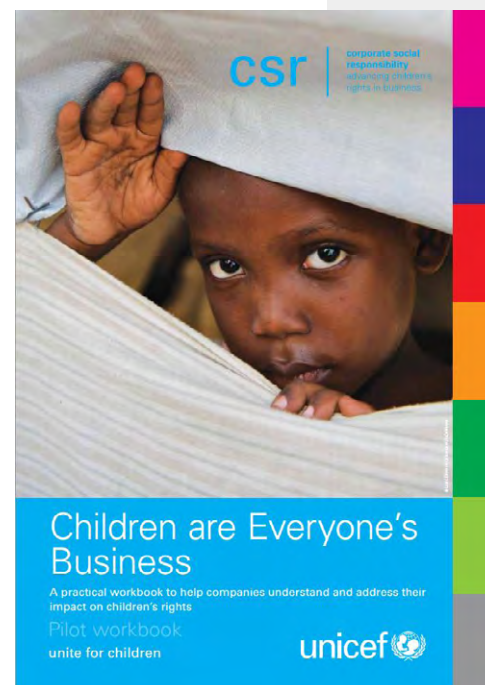
Key financials, M€	2012
Net sales	2376.3
EBIT excluding non-recurring items	231.0*
Capital expenditure	59.5

\* Figures have been restated due to a change in IAS19 'Employee benefits'. The figures are unaudited.

Economic value distributed, M€	2012
Operating expenses	1307.8
Employee wages and benefits	614.9*
Dividend to shareholders	97.7
Payments to lenders	50.3
Payments to government	43.1
Donations and community investments	1.2

### Partnering with UNICEF

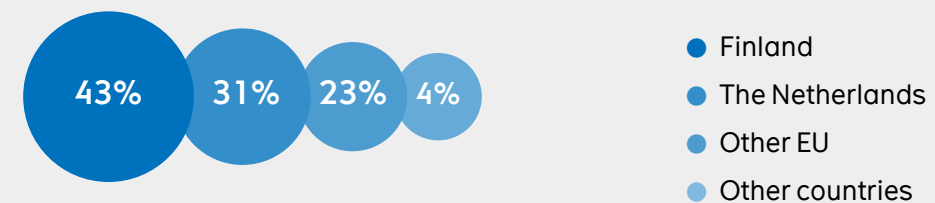
Sanoma was invited to review UNICEF's new child rights due diligence tools, as one of the companies taking part in a pilot process. Participating companies actively reviewed and provided feedback on a set of tools and guidance to support companies in the implementation of Children's Rights and Business Principles. Developed in a process led by UNICEF, the UN Global Compact and Save the Children, the Children's Rights and Business Principles are the first comprehensive set of principles to guide companies on the full range of actions they can take in the workplace, marketplace and community to respect and support children's rights.



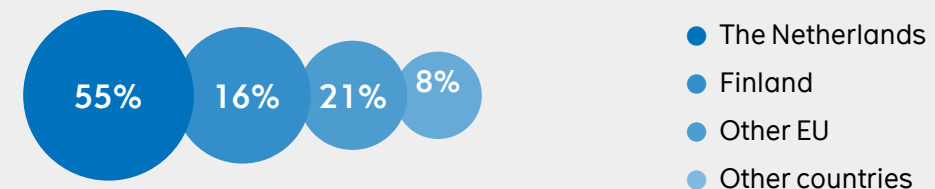
### Economic value distributed to stakeholders in 2012



### Operating expenses and employee wages and benefits in 2012



### Payments to government in 2012





# Decreasing environmental load

A company's purchasing has a key effect on the environmental load of its production and products. At Sanoma, special attention is paid to the post-use recyclability and waste management of products through the selection of materials.

Responsibly produced paper is Sanoma's most important raw material. In 2012, we procured 220,900 tonnes of paper. As a major buyer of paper, Sanoma requires that its suppliers purchase wood responsibly and consider social questions. The Group has had a policy for paper purchasing since 2009 which applies to all procurement of paper. When procuring paper, the legality and origin of the raw material, sustainable forestry (forest certification), environmental effects of paper production and social

responsibility questions are assessed. The newsprint we used in 2012 contained approximately 85% PEFC- or FSC-certified fibre. Our aim is to continuously increase this proportion.

## **Recycled fibre and primary fibre – both are necessary**

Primary fibre, or virgin wood fibre, is a necessity in many paper grades because of printing requirements. Fibre can be recycled 3–5 times in newspaper products and approximately 25% of the newsprint used by Sanoma



contained recycled fibre in 2012. We aim to continuously increase the share of recycled fibre in our newspapers but the availability of newsprint made from recycled fibre is limited in Finland, a country filled with forest, and transporting it over long distances is not environmentally sustainable. Recycled fibre is used less in magazine and book paper for quality reasons, since recycled pulp has limitations concerning the brightness, colour and water resistance of the paper and the printing process.

**Partners with environmental certificates are favoured in printing operations**

The main raw materials of printing operations are paper, printing plates and printing inks. Raw materials that cause the minimum harm to employees and the environment are chosen as production materials. When selecting chemicals, the objective is to choose the product that best suits the purpose and is as safe as possible.

Sanoma owns seven printing plants in Finland. Sanomapaino is the market leader in newspaper printing in

Finland, and it has five production plants: Sanomala in Vantaa, Hämeen Paino in Forssa, Savon Paino in Varkaus, Lehtikanta in Kouvola, and Saimaan Lehtipaino in Lappeenranta. Bookwell’s book presses are located in Porvoo and Juva. Point-of-sale marketing material press Printcenter in Jyväskylä was also part of the Sanoma Group until June 2013. All our printing plants continuously develop their operating methods and production processes. Operating in a way that causes minimum load on the environment, yet is of high quality and free from interruptions, is the most profitable and effective way to operate.

Sanomapaino has had a certified management system for environmental matters, quality management and occupational safety since 2010. All of Sanomapaino’s five printing plants are covered by a quality certificate (ISO 9001), environmental certificate (ISO 14001) and occupational safety certificate (OHSAS 18001). Sanomapaino’s key environmental targets are efficient waste management, management of chemicals and increasing material efficiency. The environmental targets are pursued over both the long and short term. Sanomapaino’s printing plants use

**Sanoma’s paper usage \***

Paper usage, tonnes	2012	2011	2010	2009	2008
Newsprint	74 200	78 600	83 500	87 000	97 000
Magazine paper	122 400	126 200	131 000	129 000	146 000
Fine and book paper and board	23 600	20 200	21 000	21 000	22 000
Bookbinding board	700	800	850	800	1 100
Total	220 900	225 800	236 350	237 800	266 100

\* Includes both the paper used in the Group’s own printing plants and the paper acquired for products printed elsewhere.

**Paper procurement guidelines in a nutshell:**

Sanoma favours paper producers with an ISO 14001 environmental system, since it promotes the continuous improvement of environmental matters. More than 90% of the plants supplying paper to Sanoma have the ISO 14001 certification.

Sanoma gives priority to suppliers of certified papers. This means that the wood used as raw material originates from certified forests.

Recycled fibres are used in magazines and newspapers as much as possible. However, paper cannot be recycled endlessly; a certain proportion of virgin fibre always needs to be added to recycled fibre.

We require all of our paper suppliers to respect and comply with human rights, labour laws, social standards and related international agreements.

detergents that are VOC-free or contain very little VOC. VOC stands for ‘volatile organic compounds’, which are released from the washing fluid when cleaning surfaces.

### Helping customers to assess the environmental impact of books

Bookwell’s printing house has a long tradition of taking the environment into account. Bookwell holds PEFC and FSC certificates, which aim to promote sustainable forestry and forest use in ecological, social and economic terms.

Bookwell also offers its customers solutions for assessing environmental impact. Bookwell’s EcoCalculator allows customers to calculate the environmental impact of printing a book, thereby taking the environment into account in their purchasing. Furthermore, Bookwell offers its customers an opportunity to compensate for the greenhouse gas emissions caused by the production of the book. Income from the compensation is forwarded to India to support a project that has decreased harmful greenhouse gases and dependence on

fossil fuels, as well as creating jobs in the area. In 2011, Bookwell’s printing presses printed 15.6 million books.

In other countries, printing is outsourced to reliable partners. Good management of environmental aspects is required of them, as well as ISO 14001 environmental certification, where possible. The management of environmental matters is discussed in connection with agreement negotiations, and the development of different printing presses is also monitored through various surveys. Of the magazine printing presses covered by the survey in 2013, 92% held an ISO 14001 environmental certificate.

Having products printed as close as possible to the market minimizes transport distances. Our largest printers are located in the most significant countries to our operations: Finland, the Netherlands, Belgium and Poland. A small proportion of our books are printed in Asia. All of our Chinese printing partners hold environmental certificates. The certification situation is clearly the worst in Russia, where

environmental certificates have not become common. We engage in a dialogue with the local printers to improve the situation.

### Printing presses recycle a majority of their waste as material

The management of our production processes includes taking care of sorting waste where it is generated. Special attention is paid in material selection to the post-use recyclability and waste management of printed products. Sanomapaino’s production generates approximately 9,300 tonnes of waste annually on average. Of this amount, paper waste accounts for more than 84%. Of the waste generated in the production process, 99% can be recycled and utilised. All paper and cardboard waste, printing plates and other metal waste are recycled. Developing agents, waste oil, waste solvent and energy waste are diverted to reuse. Only printing ink waste cannot be utilised in industrial processes for the time being. It is diverted for combustion to generate electricity.

### Optimisation and compensation in transport

Sanoma’s most significant partner in terms of newspaper deliveries is Itella. Since 2011, Sanoma’s Itella deliveries have been using the Itella Green service. The deliveries are carbon-neutral, meaning that their environmental impact is compensated for in full through climate projects. Sanoma’s imputed carbon dioxide emissions decreased by more than 900 tonnes as a result of using Itella Green delivery.

In Finland, Sanoma’s subsidiary Lehtipiste takes care of the collective deliveries of newsstand copies of magazines and tabloids from all publishers. Lehtipiste also collects unsold copies from the outlets at the same time and diverts them to recycling. Deliveries of newsstand copies of Sanoma’s magazines in the different countries in which we operate are taken care of jointly with other publishers. The Group’s policy is that only reputable and professional partners transport its products.



### The environmental impact of printed products and digital media arise in different parts of the life cycle

Our printed and digital products have different degrees of environmental impact. It is challenging and also somewhat unnecessary to compare them, as they are often used in a complementary manner, and different media are naturally used side by side. In reviewing the annual environmental impact, it could be said that online media is, on average, more environmentally friendly than print media. On the other hand, there is no environmental impact in the use of print media and several readers can enjoy the same content without causing additional emissions.

The impacts on the environment of printed and digital content arise in different phases of the life cycle. Print media causes the heaviest environmental load in the early phase of its life cycle at the paper mill, since paper production consumes a lot of energy. Reading the printed paper does not cause impact the environment, and

paper appropriately recycled by readers is diverted efficiently to reuse. Paper is one of the best-recycled raw materials in the world, and one of the few raw materials that can be fully recycled. The recovery rate of paper increased to 72.2 % in Europe in 2010 – an all-time high. In Finland, more than 80 % of printing paper and stationery was recovered and reused in 2010. Paper and board mills consume the majority of recycled paper.

### Use of energy at Sanoma

Sanoma's energy consumption decreased clearly in 2012 as a result of changes that took place in the Group and corporate transactions. Sanoma consumed almost 50% less electricity in Finland compared to 2010. A total of 57 249 MWh of electricity was consumed in Finland, of which approximately 60% was used by printing plants. Energy consumption is regularly monitored, and investments are made in the development of technology in particular to reduce consumption. Climate change is mitigated by decreasing electricity consumption and improving the energy efficiency of the processes. Technology, its development and new innovations play a key role in improving the energy efficiency of production processes as well as buildings.

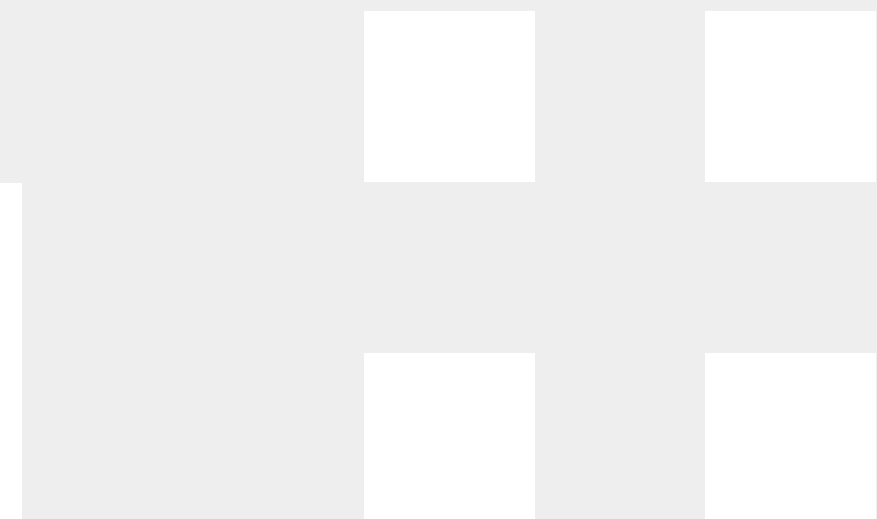
The environmental impact of digital media is emphasised towards the end of the life cycle, i.e. in its use, although the manufacture of the various electronic readers and their screens in particular, also affects the environment. In the use of digital media, the material and energy properties of the devices, the method in which the electricity consumed by the reader was generated, browsing time and the number of downloads have decisive effects.

The carbon footprint of one newspaper or magazine is the same as driving a car a distance of one kilometre.

The average carbon footprint of a Finnish magazine is approximately 230 g CO<sub>2</sub>e.

According to an estimate by VTT Technical Research Centre of Finland, the entire communications and communication technology industry accounts for approximately 2–4% of the world's greenhouse gas emissions.

# Sanoma GRI index



## Comparison with Global Reporting Initiative G3 guidelines

GRI ref.	GRI Content	Included	Page	Comments
1	<b>Strategy and Analysis</b>			
1.1	CEO's statement	Yes	Sanoma View "Year in review" <a href="http://sanomaview.com/en/yearinreview">+</a> <a href="http://sanomaview.com/en/yearinreview">http://sanomaview.com/en/yearinreview</a>	
1.2	Key impacts, risks and opportunities	Yes	<a href="http://sanomaview.com/en/yearinreview">+</a> <a href="http://sanomaview.com/en/yearinreview">http://sanomaview.com/en/yearinreview</a>	
2.	<b>Organizational Profile</b>			
2.1, 2.4, 2.6	Name of the organization, location of headquarters, nature of ownership and legal form	Yes	<a href="http://www.sanoma.com/en/who-we-are/organisation">+</a> <a href="http://www.sanoma.com/en/who-we-are/organisation">http://www.sanoma.com/en/who-we-are/organisation</a>	
2.2, 2.7	Primary products and services, markets served	Yes	<a href="http://www.sanoma.com/en/who-we-are/areas-of-expertise">+</a> <a href="http://www.sanoma.com/en/who-we-are/areas-of-expertise">http://www.sanoma.com/en/who-we-are/areas-of-expertise</a>	
2.3, 2.5, 2.8	Operational structure, number of countries and location of operations, scale of the reporting organization	Yes	<a href="http://www.sanoma.com/en/who-we-are/organisation">+</a> <a href="http://www.sanoma.com/en/who-we-are/organisation">http://www.sanoma.com/en/who-we-are/organisation</a>	
2.9	Significant changes regarding size, structure or ownership	Yes	<a href="http://www.sanoma.com/en/investors/financials/divestments-and-acquisitions">+</a> <a href="http://www.sanoma.com/en/investors/financials/divestments-and-acquisitions">http://www.sanoma.com/en/investors/financials/divestments-and-acquisitions</a>	
2.10	Awards received in the reporting period	Yes	<a href="http://www.sanoma.com/en/media-room">+</a> <a href="http://www.sanoma.com/en/media-room">http://www.sanoma.com/en/media-room</a>	
3.	<b>Report Parameters</b>			
3.1-3.3	Reporting period and cycle	Yes	4	
3.4	Contact point for questions regarding the report	Yes	Back cover	
3.5	Process for defining report content	Yes	4	
3.6-3.8	Report boundary and limitations on the report scope or boundary	Yes	4	
3.10	Restatements	Yes	4	
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods	Yes	4	Changes in organization
3.12	GRI content index	Yes		

#### 4. Governance, Commitments and Engagement

4.1-4.4.	Governance	Yes	<a href="http://www.sanoma.com/en/investors/corporate-governance">+ http://www.sanoma.com/en/investors/corporate-governance</a>
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4.8	Mission, values, code of conduct	Yes	4 and <a href="http://www.sanoma.com/en/investors/corporate-governance/business-principles">+ http://www.sanoma.com/en/investors/corporate-governance/business-principles</a>
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#### Stakeholder Engagement

4.14-4.15	Identification and approaches to stakeholder engagement	Yes	4 and <a href="http://www.sanoma.com/en/who-we-are/corporate-responsibility">+ http://www.sanoma.com/en/who-we-are/corporate-responsibility</a>
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4.17	Key topics raised through stakeholder engagement	Yes	4 and <a href="http://www.sanoma.com/en/who-we-are/corporate-responsibility">+ http://www.sanoma.com/en/who-we-are/corporate-responsibility</a>
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#### Economic Performance Indicators

EC1*	Direct economic value generated and distributed	Yes	14
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EC2*	Financial implications and other risks and opportunities for the organization's activities due to climate change	Yes	<a href="http://www.sanoma.com/en/investors/corporate-governance/risk-management">+ http://www.sanoma.com/en/investors/corporate-governance/risk-management</a>
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EC3*	Coverage of the organization's defined benefit plan obligations	Yes	Financial statement page 22: Pension obligations : <a href="http://www.sanoma.com/sites/default/files/reports/financial_statements_2012_130403.pdf">+ http://www.sanoma.com/sites/default/files/reports/financial_statements_2012_130403.pdf</a>
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EC4*	Significant financial assistance received from government.	Yes	None received
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#### Environmental Performance Indicators

EN1*	Materials used by weight or volume	Yes	16	Paper
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EN2*	Percentage of materials used that are recycled input materials	Yes	15	Share of recycled fibre in newspaper papers
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EN4*	Indirect energy consumption	Partially	18	Electricity in Finland and printing plants
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EN22*	Total amount of waste	Partially	17	Printing plants
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#### Social Performance Indicators

LA1*	Total workforce by employment type, employment contract and region	Yes	6-7
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LA7*	Rates of injury, occupational diseases, lost days, fatalities and absenteeism	Partially	8	Sick absence days Group-wide
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LA12	Performance and career development reviews	Yes	6
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LA13*	Composition of governance bodies and breakdown of employees	Yes	7-8
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SO2*	Percentage of business units analysed for risks related to corruption	Yes	12
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**Get our responsibility****Corporate responsibility report 2012**

A publication of Sanoma

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